

The Treasury

Budget 2026 Information Release

September 2026

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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- [12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands
- [13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue
- [14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau
- [15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [41] 18(d) - information requested is or will soon be publicly available

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Treasury Report: Approach to Budget Ministers July

Date:	17 July 2025	Report No:	T2025/1838
		File Number:	BM-2-1-2027-M120769

Action sought

	Action sought	Deadline
Hon Nicola Willis Minister of Finance	provide feedback on the draft Budget Ministers' July slides. provide feedback on the timeline of advice for Budget 2026.	21 July 2025

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Kevin Cho	Senior Analyst, Budget ^[39]	N/A (mob)	✓
Emily Fulford	Team Leader, Budget	N/A (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Approach to Budget Ministers July

Purpose of Report

1. This report provides you with contextual information for the Budget Ministers meeting in week of 28 July alongside the draft slides for your feedback.
2. It also provides you with potential discussion points for monthly Budget Ministers meetings for the rest of 2025 and the timeline of advice you will receive on Budget 2026.

Budget Ministers July

3. The draft slides accompanying this report reflects your agreement to focus the first Budget Ministers meeting of Budget 2026 on the medium-term work required to achieve the Government's fiscal strategy, and setting the scene for Budget 2026 [T2025/1753 refers].
4. The slides also reflect your discussion at the Weekly Agency meeting on 25 June with the Treasury Secretary on the content you would like to be discussed at Budget Ministers, including the spending and savings stack graph. We have generally erred on the side of including pressures, and where there is a range, at the higher end of the range. This includes an estimate of time-limited funding, which encompasses some initiatives that may be genuinely time-limited. We will provide advice on managing these initiatives as part of the Budget invitation advice, but we do not anticipate that these pressures will require funding at the levels currently estimated.
5. The medium-long term work outlined in the slides focuses on the Expenditure, Revenue and Balance sheet strategies, of which you have received recent advice on. This covers more detail than what has been shared with other Ministers. However, you have choices on how much you wish to share and signal to Budget Ministers at this stage given the scale of challenges and the need to consider big policy choices to achieve your fiscal strategy and its implications for Budget 2026.
6. For the Budget 2026 portion of the meeting, we suggest you hold an initial discussion on what your and Budget Ministers' priorities are for the coming Budget. Both operating and capital allowances are constrained with significant portions of both allowances having been pre-committed to Health and the Defence Capability Plan spending.
[34]
7. Managing within allowances will require identifying priority areas to focus your new spending on and/or finding areas of additional savings, revenue or reprioritisation to fund your priorities. An early indication of your priorities will allow us to reflect these in upcoming advice Budget strategy and invitations and calibrate our approach to identifying savings.
8. We note that the slides currently do not reflect the outcome of your discussions on the expenditure, revenue and balance sheet strategies with relevant Ministers and/or the Treasury due to timeframes. We will incorporate relevant outcomes from your meetings in the next set of draft slides you will receive early next week.

Further advice on Budget 2026 and Budget Ministers' meetings

9. While you will receive further advice on the Budget 2026 strategy and design in early-mid August, we are working on the basis that the overall strategy for Budget 2026 will largely be similar to Budget 2025:
 - a a continuation of the top-down invitation approach;
 - b limited funding for cost pressures, with the expectation that the majority of agencies will manage these within baselines;
 - c new spending focused on outstanding manifesto commitments, time-limited funding and significant policy areas to achieve the Government's priorities (i.e. tax work programme);
 - d a small number of envelopes for priority areas of investment (such as Education, Defence and Law and Order agencies);
 - e capital investments that are delivery ready and focused on critical areas such as Defence, Law and Order and Transport; and
 - f a combination of baseline reduction and targeted policy savings to help offset the costs of the above.
10. The table below outlines an indicative timeline for providing you with Budget strategy and invitations advice, Budget Ministers meetings and taking a Budget 2026 strategy paper to Cabinet. We will be taking on board from feedback from your Office and our own reflections on Budget 2025 – to provide you with more time to make decisions on what initiatives to invite into Budget 2026.

Table 2: Timeframes for Budget 2026 advice and Budget Ministers meetings

Date	Advice
Early-mid August	Advice to you on Budget 2026 strategy and design
Late August	Budget Ministers August – Budget 2026 strategy
Early September	- Advice to you on proposed invitations for Budget 2026, including envelopes - Draft Budget 2026 strategy Cabinet Paper for feedback and approval
Monday 15 September	Budget strategy Cabinet Paper discussed at Cabinet
Late September/early October	Budget Ministers September – Budget 2026 invitations
Early-mid October	Invitation letters sent to Ministers
Mid-late November	Budget Ministers November – Any outstanding matters
Mid-late December	Agency submissions due

11. We suggest that you take your Budget 2026 strategy to Cabinet on Monday 15 September. This is the last sitting date for Parliament in September with the earliest date after this being on Monday 6 October. We suggest not delaying the lodgement of the strategy to ensure further work on invitations can progress with Cabinet's agreement. This will also provide additional time for you to consider specific invitations and provide additional time for agencies to work on Budget submissions to improve their quality.

Budget 2026 Savings

12. We provided an update to you at the Weekly Agency Meeting on 17 July on baseline savings and our engagement with the Public Service Commission. The next steps on this process, and how it fits with the above timelines, are:
- a The Treasury will begin engaging (in conjunction of the Public Service Commission) with agency Chief Executives and Chief Financial Officers the week of 21 July to identify potential areas of single and multi-year savings working. These discussions will explore both lower value programmes and those aligned with the suggested themes (e.g. data and digital, machinery of government, and legislative change).
 - b Where possible, we will aim to provide you with an update on how these meetings are progressing ahead of your Budget Ministers meeting in the week of 28 July.
 - c Insights from these engagements will then be incorporated into broader Budget 2026 strategy advice in early to mid-August, followed by further testing and refinement through agency discussions. This will then be able to support your next conversation with Budget Ministers in late August.
 - d The Budget strategy Cabinet paper in September would then incorporate those insights, and support setting baseline savings targets where appropriate when sending invitations to other Ministers.

Next steps

13. Following your feedback on the draft Budget Ministers July slides, we will provide an updated version reflecting your feedback early next week. Following your approval, the final set of slides will be circulated to Budget Ministers in advance of the meeting.

Recommended actions

We recommend that you:

- a **provide** feedback on the draft Budget Ministers July slides; and
- b **provide** feedback on the timeframe of advice for Budget 2026.

Emily Fulford
Team Leader, Budget

Hon Nicola Willis
Minister of Finance

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